

Members

Rep. Peggy Welch, Chairperson
Rep. Tiny Adams
Rep. Thomas Saunders
Rep. Matthew Whetstone
Sen. Becky Skillman
Sen. Steve Johnson
Sen. Mark Blade
Sen. Rose Antich
Thomas Rethlake
Frank Fritch
Richard Jones
Vernon Jewell
Doug Lechner
Raymond Lueken
Garland Ferrell
Kelly M. Thompson
Jean Lushin
Timothy Skinner
Al Dillon
William Mansard
John Catey
Otis Cox
Dave Niezgodski
John Rooda



COUNTY GOVERNMENT STUDY COMMISSION

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Authority: P.L. 28-2001 (HEA 1629)

MEETING MINUTES¹

Meeting Date: October 22, 2002
Meeting Time: 1:00 P.M.
Meeting Place: State House, 200 W. Washington St.,
Room 431
Meeting City: Indianapolis, Indiana
Meeting Number: 3

Members Present: Rep. Peggy Welch, Chairperson; Rep. Thomas Saunders; Rep. Matthew Whetstone; Sen. Becky Skillman; Sen. Steve Johnson; Sen. Mark Blade; Thomas Rethlake; Richard Jones; Vernon Jewell; Garland Ferrell; Kelly M. Thompson; Jean Lushin; Timothy Skinner; Al Dillon; Otis Cox; Dave Niezgodski; John Rooda.

Members Absent: Rep. Tiny Adams; Sen. Rose Antich; Frank Fritch; Doug Lechner; Raymond Lueken; William Mansard; John Catey.

At 1:05 PM the final meeting of the County Government Study Commission was called to order for the 2002 Interim.

Indianapolis Chamber of Commerce (ICC)

Susan Swayze made a presentation to the Commission members and presented a prepared folder of information about the ICC (Exhibit A). She spoke on the success of project based financing in Indianapolis, which was responsible for the development of downtown Indianapolis. However, this type of financing lacks flexibility. She stated that the ICC was looking for new funding sources. Ms. Swayze said that there are inequities in property taxes. She explained that almost one-half of the property in Center Township is not on the tax rolls because much of

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property is exempt.

Chairperson Peggy Welch asked Ms. Swayze if there were any legislative proposals that the ICC had for the Commission. Ms. Swayze responded that there are general areas that the ICC is interested in school capital funding, home rule, and finding new funding sources.

Sheriff Meal Allowances

PD 3648 (Exhibit B) was reviewed by Legislative Services Agency staff. Chairperson Welch stated that the draft is to ensure accountability of county sheriffs. She opened the floor for further discussion of the proposal.

Thomas Fruechtenicht, representing the Indiana Sheriffs' Association, said that approximately two-thirds of Indiana counties are on an accountable plan with their sheriffs. Ten of the approximately thirty remaining counties have a non-accountable plan.

Mike Eslinger, Executive Director of the Indiana Sheriffs' Association, discussed the differences between an accountable plan and a non-accountable plan with respect to Sheriff meal allowances. He stated that the main reason that smaller counties do not wish to contract with their sheriff is that under an accountable plan leftover meal allowance money is reported on the sheriff's W-2 and goes towards the sheriff's pension.

Senator Becky Skillman asked Mr. Eslinger which ten counties do not have an accountable plan. Mr. Eslinger said that, based on a survey the ISA sent to sheriffs, he knew of four counties that had a non-accountable plan and potentially another six as well.

Matt Brooks, Executive Director of the Association of Indiana Counties, said in the last few years the Association has seen more counties go to an accountable plan with their sheriffs. He noted that he was unclear about the IRS standards listed in PD 3648.

Representative Whetstone commented that this is a home rule and election issue. He stated that, in his opinion, sheriffs are held accountable by their electorate.

Chairperson Welch entertained a motion for action on PD 3648. Mr. Vernon Jewell made the motion. The motion was seconded.

Senator Skillman clarified to the Commission that adoption of PD 3648 would only serve to introduce the draft to the General Assembly where additional debate would take place on the concept of Sheriff accountability plans. Chairperson Welch agreed that voting on any draft would not permanently obligate the Commission to the idea.

The Commission voted to adopt PD 3648 (16-1).

Sharing of Gambling Revenue

Staff reviewed PD 3640 (Exhibit C). Senator Skillman said that she believed that a draft that eliminated the restrictions for use while leaving in the current list of allowable items for which gaming revenues could be used would more likely pass in the General Assembly.

David Bottorff, Association of Indiana Counties, requested that page 2 line 37 of PD 3640 be changed from the county treasurer to the county auditor. Chairperson Welch asked for a motion to amend this change. Representative Saunders made the motion, which was seconded. The change was adopted by consent.

Matt Brooks testified that there is concern that distributions from gaming revenue do not currently have a growth mechanism. He stated that distributions are generally small, and that he would like to see local units receive a larger share of gaming revenue based on the rate of inflation.

Tonya Galbraith, Indiana Association of Cities and Towns, said that gaming revenue sharing should be expanded to allow for any use by the local unit of government. She agreed that distributions should grow with inflation.

PD 3640 was adopted by the Commission (17-0).

Notifications of Property Tax Changes

Staff reviewed PD 3644 (Exhibit D), PD 3660 (Exhibit E), and PD 3661 (Exhibit F).

William Waltz, Commissioner, Indiana Board of Tax Review (IBTR), apologized that representatives from the Department of Local Government Finance were unable to attend the Commission meeting due to a prior business commitment. He said that from the IBTR's viewpoint a large spectrum of properties exist that may not match typical profiles printed in the newspaper. He said the IBTR had concern that this may have an effect on appeals.

Mr. Waltz was asked by the Commission if counties could successfully implement the provisions of Sec. 210 of HEA 1001-2002(ss). He responded that if it is was at all possible for the counties to do, given their existing computer software, that it would be very costly and difficult.

Senator Johnson stated that in his opinion PD 3661 was the least reasonable alternative. He noted that the use of hypothetical properties could help individuals identify examples that would be similar to their actual properties.

Chairperson Welch recognized Senator Skillman for a motion to adopt PD 3660. Senator Skillman added that she was not supportive of a full repeal of Section 210 of HEA 1001-2002(ss) without having an alternative plan in place. She said that regardless of what the Commission decided, the issue would be discussed and dealt with as there is now widespread knowledge about the problem.

David Bottorff stated that the AIC was in favor of full repeal of Section 210. He said that printing a few examples in the newspapers would cause confusion between taxpayers and county officials and that was not the original intent of the legislation.

Katrina Hall, Indiana Farm Bureau, said that the General Assembly has an opportunity to provide information concerning the changes made by HEA 1001-2002(ss), and urged the Commission to allow that process to continue.

Greg Jordan, President, Indiana County Treasurers' Association, said that simply printing a few examples in the newspaper would present more confusion for taxpayers.

Robert McKee, Tippecanoe County Assessor, asked the Commission if the General Assembly had estimates of the property tax savings provided by HEA 1001-2002(ss) as the bill was being considered.

Chairperson Welch said that the General Assembly had developed estimates of property tax shifts of various proposals and used these estimates to structure the final agreement.

Senator Skillman said that there was an average property tax savings that the General Assembly had targeted. She added that some taxpayers would realize a greater savings and some would experience a smaller savings than the average.

Mr. Vernon Jewell said that the County Auditors' Association would not be in favor of PD 3660.

PD 3660 failed (6-11).

PD 3644, which requires full repeal of Section 210, was also considered and adopted by the Commission (13-4).

Holdover Offices

Resolution HJ 9206 (Exhibit G) concerning holdover offices was adopted by the Commission (17-0).

Staff passed out the draft copy of the final report to Commission members. The Commission moved to include the proceedings of the third meeting and adopted the report (17-0).

Chairperson Welch thanked the Commission members for their service during the 2002 interim. She also recognized Representative Saunders for joining the Commission for Representative Goeglein who had passed away. She also thanked Senators Blade and Johnson for their service. Senator Johnson made a presentation on the role of state and local government in the future with regard to social security and health insurance funding. He passed out two documents (Exhibits H & I). He said that we must reshape the business of government. He expressed concern that in the future, local governments will not be able to meet their obligations, particularly in economic hard times.

Upon completion of Senator Johnson's comments, and with no further business, the Commission adjourned at 2:55 PM.